

Recycling Market Development Zone Tax Credit

Taxpayers claiming this credit must complete this form and attach it to their individual income or corporate franchise tax return. Part B of this form must be completed by the Department of Community and Economic Development if you are seeking credit for machinery or equipment.

See the reverse side of this form for detailed instructions.

PART A

Name of taxpayer claiming credit	Taxpayer's identification number (SSN or EIN)	
Address of taxpayer claiming credit	Telephone number ()	
City	State	ZIP Code

PART B

List machinery and equipment purchased	Date purchased	Purchase price
		\$
		\$
		\$
		\$

Certification by the Department of Community and Economic Development

I certify that the machinery and equipment purchased listed above are integral to the composting or recycling process of the taxpayer named in PART A of this form.

Add all purchases in PART B

Multiply total purchases by .05 (5%)

Authorized signature by DCED	Title	Date signed
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PART C

List rent, wages paid, supplies, tools, test inventory, and utilities purchased	Date paid	Amounts paid during tax year	List rent, wages paid, supplies, tools, test inventory, and utilities purchased	Date paid	Amounts paid during tax year
		\$			\$
		\$			\$
		\$			\$
		\$			\$

Add all amounts paid in PART C

Multiply total payments by .20. If this amount is greater than \$2,000, only enter \$2,000.

PART D

Line 1 Add total credits allowed from PART B and PART C. Enter sum on this line.

Line 2 If you are a Utah resident, multiply line 22 of your Utah income tax return by .40 (40%). If you are a non-resident or part-year resident, multiply line 23 of your Utah income tax return by .40 (40%).

Line 3 Enter the smaller of the amounts on line 1 or line 2. This is your tax credit.

1	\$
2	\$
3	\$

IMPORTANT - PLEASE READ

Refer to the instructions for your INCOME TAX (TC-40), CORPORATE TAX (TC-20 or TC-20S), or FIDUCIARY TAX (TC-41) to determine the line number on which you will record this credit.

PART E

Any unused amount of the total credit allowed under PART D, line 3, that is attributable to purchases of qualified machinery and equipment under PART B, may be carried forward three years.

Carryforward Amounts

Applied to tax year:

Line 1 Amount of tax credit carried forward - first year	1	\$	
Line 2 Amount of tax credit carried forward - second year	2	\$	
Line 3 Amount of tax credit carried forward - third year	3	\$	

For tax years beginning January 1, 1996 and ending on or before December 31, 2000, the Utah Legislature authorized a nonrefundable tax credit to individuals and corporations in a recycling market development zone, as defined in Utah Code Section 9-2-1602. The credit consists of: (a) 5 percent of the purchase price paid during the taxable year for machinery and equipment used directly in commercial composting, or manufacturing facilities or plant units that manufacture recycled items or reduce or reuse postconsumer waste material; and (b) 20 percent of net expenditures, up to a maximum credit of \$2,000 to third parties for rent, wages, supplies, tools, test inventory, and utilities made by the taxpayer for establishing and operating recycling or composting technology in Utah.

PART A

Enter name and address information of taxpayer.

PART B

List any machinery or equipment purchased that is used directly in commercial composting or in manufacturing facilities or plant units that manufacture, process, compound or produce recycled items for sale or reduce or reuse postconsumer waste material. Enter the purchase price for the machinery or equipment in the appropriate column. Add all purchases and multiply the total purchases by .05. This represents the total amount that can be used as a credit for machinery and equipment.

PART B must be signed by an authorized individual from the Department of Community and Economic Development. Amounts listed in PART B will not be eligible for this credit without the Department of Economic Development signature.

PART C

List expenditures for rent, wages, supplies, tools, test inventory, and utilities and the amount of the expenditure in the appropriate column. Total all expenditures listed in PART C and multiply the total by .20 (20%). If the amount is greater than \$2,000, only enter \$2,000.

PART D

Add together the "**Total credit allowed**" from PARTS B and C. If you are a Utah individual resident, multiply the amount on line 21 of your Utah income tax return by .40 (40%). If you are a nonresident or part-year resident multiply the amount on line 22 of your Utah income tax return by .40 (40%). Your credit on line 35i of your Utah income tax return is the smaller of line 1 and line 2.

PART E

Taxpayers may carry forward for three years any of the unused total credit allowed in PART D, line 3, that is attributable to purchases of qualified machinery and equipment under PART B. Indicate the amounts you are carrying forward, along with the appropriate years, on lines 1 through 3 of PART E.

Carryforward recycling market development zone credits shall be applied against Utah individual income or corporate franchise tax due before the application of any recycling market development zone tax credits earned in the current year and on a first-earned, first-used basis.

This form must be completed and signed in PART B and attached to the initial Utah income tax return. If you carry forward this tax credit, you must attach a copy of this completed form, with the new carryforward amount, to your Utah tax return.

Taxpayers must keep copies of tax credit records for three years from the date the return is filed.

If you need additional information, please contact the Utah State Tax Commission at (801) 297-2200 or toll free 1-800-662-4335, if outside the Salt Lake area. The address is 210 N 1950 W, Salt Lake City, Utah 84134.

If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at (801) 297-3811 or TDD (801) 297-3819. Please allow three working days for a response.